

Industry Overview

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Last Year's Industry Perspective

Presented by: Mr. J. Hascal / Primex Technologies

- **Lesson in World History and Its Affect on the Munitions Industry**
- **Status of the Current Munitions Industry**
- **Challenges Faced by the Munitions Industry**
- **Recommendations**

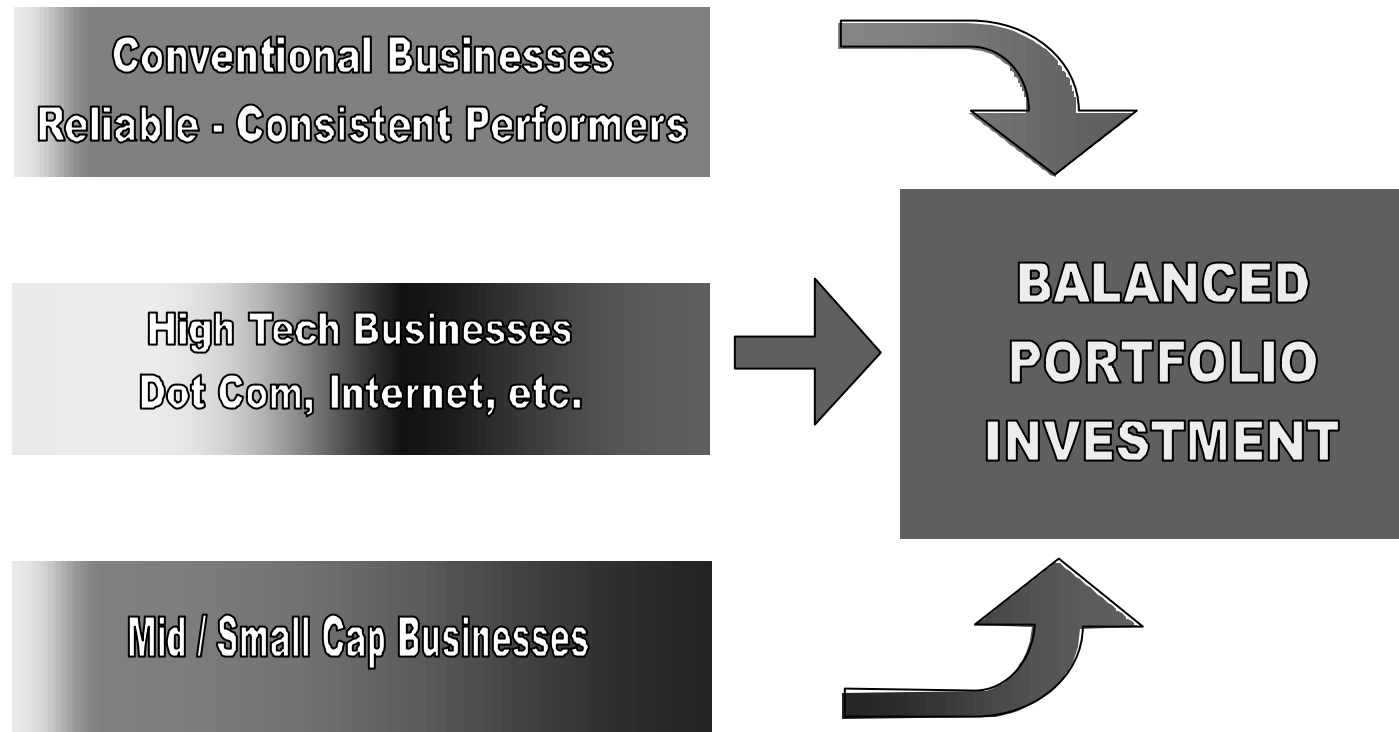
This Year's Industry Perspective

Investing

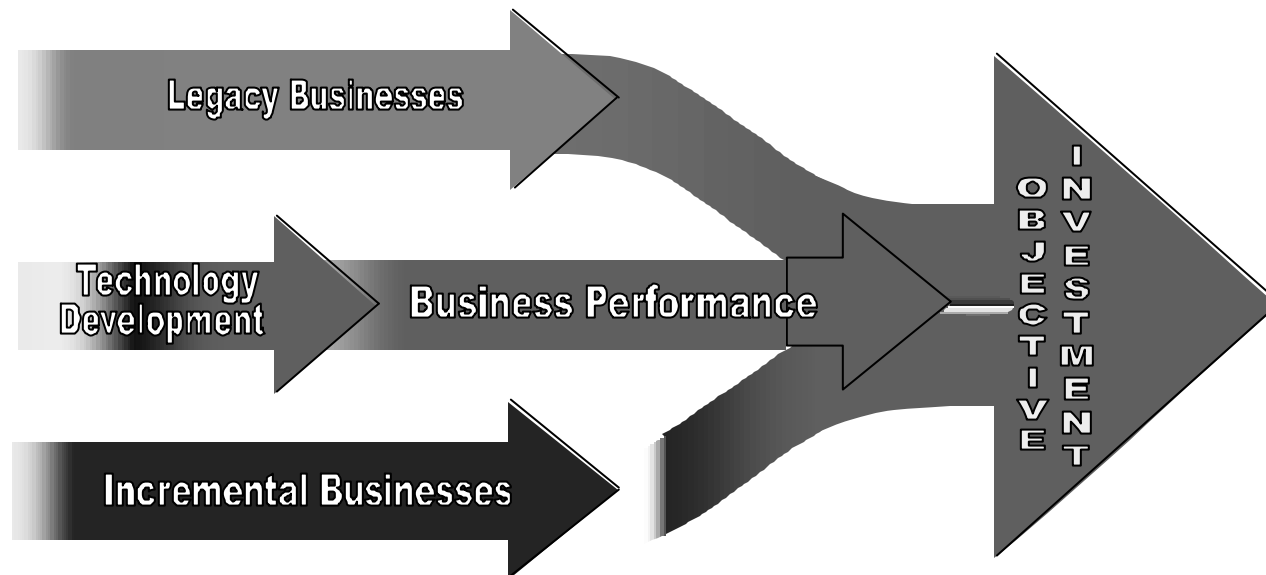
2001 Industry Perspective

- **New Economy** - Dot Com World -
e-Commerce - High Tech - Internet -
Information Age - High Risk -
Bet on the Future
- **Old Economy** - Conventional
Economics - Conventional Products -
Brick and Mortar Companies -
Businesses with Track Records

2001 Industry Perspective

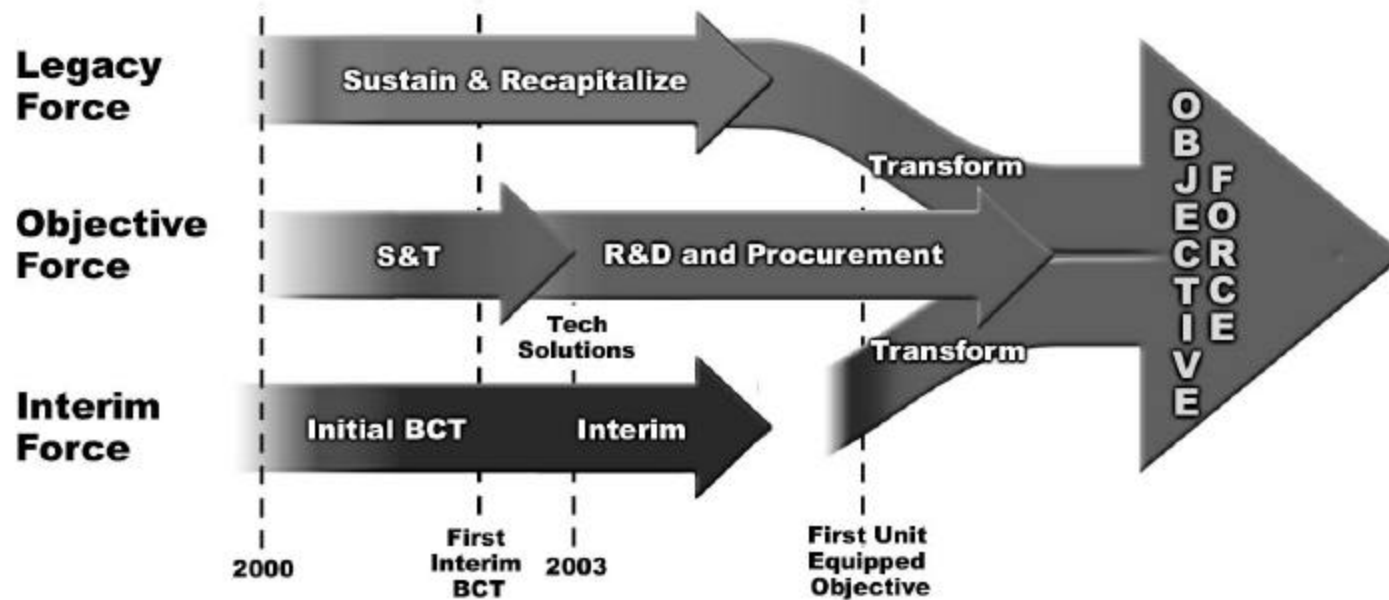


2001 Industry Perspective

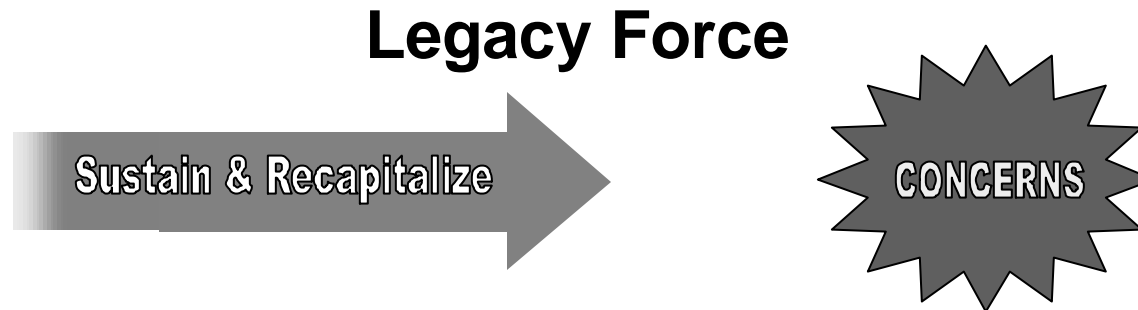




The Army Transformation



2001 Industry Perspective



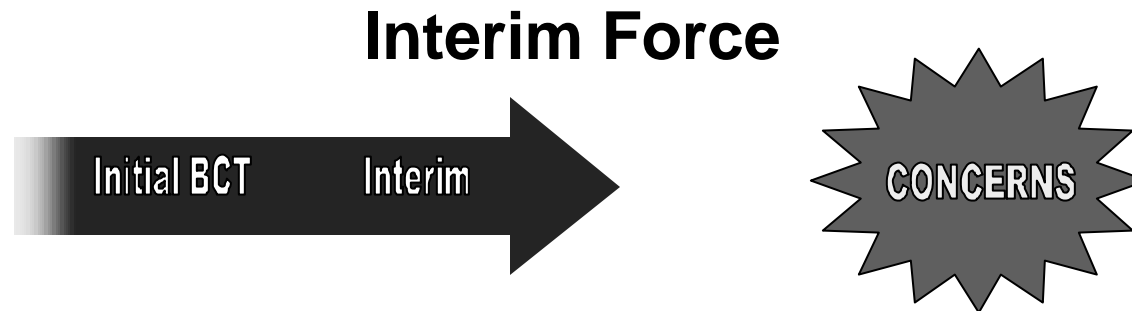
- **Funding for Procurement and R&D that Supports the Current Industrial Base Could Potentially Be Adversely Affected**
- **Funding for Stockpiles of War Reserve Munitions Could Be Redirected to Other Efforts**
- **The Industrial Base Must Be Available for Future of IBCT, FCS, etc. Current Base Could Be Diluted by Proliferation of Number of Calibers**
- **Industrial Base Needs ManTech Dollars to Re-capitalize Munitions Manufacturing**

2001 Industry Perspective



- **Relies Heavily on Advanced Technologies**
- **Will Be Pursued with “Vigor” While Other Needs Could Be Minimized**
- **An Increased Emphasis on Smart / Precision Munitions is Required**
- **Potential to Slip Considerably due to Maturity of Technologies**
- **Opportunity to Solute and Over Commit**

2001 Industry Perspective



- **105mm Solution for IBCT Dilutes and Complicates the Industrial Base**
- **Few R&D Dollars Available if Increased Lethality is Required in the Future for 105mm**
- **Advanced Munitions to Upgrade Lethality of IBCT not Forthcoming; i.e., SADARM, WAM, XM982, etc.**

2001 Industry Perspective

Some Final Thoughts

- **As in Personal Investment the Army's Investment Requires Portfolio Management to Properly Balance the Transformation**
- **The Army's Munitions "World" is Becoming Significantly More Complex Requiring Considerably More "Management" Attention**
- **Munitions Industry Sometimes Sees a Confusing Picture which Makes Investing Difficult to Justify
- More Communication and Collaboration Would Be Beneficial**

2001 Industry Perspective

Some Final Thoughts (Continued)

- **A Single Army Executive for Ammunition Could Provide Needed Management and Balance**
- **Partnering Offers Many Opportunities / Competition Can Create a Hollow Industrial Base**
- **It is Imperative that Technology be Accurately Assessed for Use - A True Risk Assessment**
- **We Continue to Follow Rules 13 & 14**

2001 Industry Perspective

Rule 13

When Asked To Lead — Lead!

The Army is Providing Great Leadership to be
Relevant in Today's and Tomorrow's Warfighting

Rule 14

Do What's Right!

Now It is Up to All of Us to Make the Right Decisions
and Do What is Right to Support Our Warfighters